

# DEPARTMENT OF SOCIAL SERVICES

## FINANCIAL SUMMARY

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	FY 2007 REQUEST	GOVERNOR RECOMMENDS FY 2007
Office of the Director	\$ 61,544,686	\$ 37,591,302	\$ 34,889,267	\$ 35,317,116
Information Technology	0	40,273,260	0	0
Family Support Division	477,696,448	486,369,560	485,431,886	490,445,341
Children's Division	504,577,646	534,243,118	541,367,199	549,857,904
Division of Youth Services	57,351,927	58,298,536	58,249,688	59,993,438
Division of Medical Services	5,215,728,801	4,784,347,295	5,124,920,830	5,161,524,604
DEPARTMENTAL TOTAL	\$ 6,316,899,508	\$ 5,941,123,071 *	\$ 6,244,858,870	\$ 6,297,138,403
General Revenue Fund	1,440,510,824	1,251,364,386	1,436,998,301	1,465,735,145
Title XIX - Federal and Other Funds	2,661,769,091	2,585,830,107	2,817,742,971	2,808,611,500
Temporary Assistance for Needy Families - Federal Funds	154,111,569	158,283,204	155,860,030	155,860,031
DSS - Federal and Other Funds	551,686,350	586,441,265	555,056,834	587,152,089
Uncompensated Care Fund	91,000,000	91,000,001	91,000,001	91,000,001
Pharmacy Rebates Fund	96,551,369	88,412,173	37,505,391	37,506,075
Third Party Liability Collections Fund	8,873,166	24,004,954	24,059,260	24,092,124
Intergovernmental Transfer Fund	75,857,069	0	0	0
Federal Reimbursement Allowance Fund	792,794,139	652,035,812	652,035,812	652,039,148
Pharmacy Reimbursement Allowance Fund	62,301,129	42,251,916	24,288,639	24,289,549
Medicaid Managed Care Organization Reimbursement Allowance Fund	0	52,600,000	48,989,634	48,989,634
Division of Family Services Donations Fund	100,746	134,000	133,994	133,994
Child Support Enforcement Collections Fund	12,647,293	14,384,275	10,876,832	11,200,005
Nursing Facility Federal Reimbursement Allowance Fund	236,353,698	218,253,622	218,253,564	218,253,564
Nursing Facility Quality of Care Fund	82,985	83,254	83,254	86,171
Health Initiatives Fund	19,641,990	20,858,163	21,463,959	21,512,378
Gaming Commission Fund	446,251	500,000	500,000	500,000
DSS Administrative Trust Fund	4,242,987	6,190,002	5,753,913	5,755,755
DSS Educational Improvement Fund	5,591,621	5,592,576	5,592,576	5,695,606
Blind Pension Fund	23,202,154	25,565,932	26,844,849	26,878,490
Healthy Families Trust Fund-Health Care Treatment and Access Account	50,959,100	50,959,100	50,959,100	50,959,100
Youth Services Products Fund	0	25,000	25,000	25,000
Missouri Rx Plan Fund	0	30,000,001	24,482,972	24,509,456
Youth Services Treatment Fund	0	1,000	999	999
Early Childhood Development, Education and Care Fund	14,196,038	14,514,388	14,513,045	14,514,649
Premium Fund	3,742,573	9,837,940	9,837,940	9,837,940
Alternative Care Trust Fund	10,237,366	12,000,000	12,000,000	12,000,000
Full-time equivalent employees	8,649.65	8,524.11	8,277.08	8,281.08

\* Does not include \$153,426,937 in Fiscal Year 2006 Supplemental Appropriations, including \$38,723,596 general revenue. See the Supplemental section of the Missouri Budget for details regarding the Department of Social Services supplemental appropriations.

## **DEPARTMENT OF SOCIAL SERVICES**

### **DEPARTMENT SUMMARY**

Governor Blunt's budget for Fiscal Year 2007 provides a total of \$6.3 billion for the Department of Social Services. Each day half of all Missouri residents receive services from the Department of Social Services. The core functions provided by the Department of Social Services include:

#### **Children's Division**

The Children's Division is dedicated to protecting the welfare of Missouri's children. The division's programs include: foster care, child abuse and neglect investigations, children's treatment, purchase of child care, and adoption assistance.

#### **Income Maintenance**

The Family Support Division is responsible for all income support programs and many of the state's child support enforcement functions. The programs administered by the division include: Temporary Assistance for Needy Families, Food Stamps, Energy Assistance, Blind Pension, Supplemental Aid to the Blind, Domestic Violence, and Medicaid eligibility.

#### **Youth Services**

The Division of Youth Services provides case management, community care, and aftercare to youth committed to the state's custody for various crimes. The Juvenile Court Diversion Program works with local communities to help prevent juvenile crime and provide treatment for youth in their own communities.

#### **Medicaid Programs**

The Division of Medical Services is responsible for the delivery of health care to 900,000 of Missouri's neediest citizens, including the elderly, the disabled, children, and pregnant women. The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort begun in 1965 to meet the health care needs of those who cannot pay for their own care. The program staff oversees the operation of the Medicaid, SCHIP (State Children's Health Insurance Program), and State Medical programs. The health care services include hospital, physician, pharmacy, skilled nursing home care, home health care, mental health, and managed care. While states must meet certain minimum criteria, each state can establish eligibility guidelines, benefit packages, and provider payment rates for their state Medicaid Program. For Fiscal Year 2007, the Missouri Medicaid Program totals just over \$6 billion.

**DEPARTMENT OF SOCIAL SERVICES  
DEPARTMENTAL ADMINISTRATION**

**OFFICE OF THE DIRECTOR**

Departmental Administration includes the director, the director's staff, and the Human Resource Center (HRC). The director sets policy for the department, forges public/private partnerships to help meet department goals, and ensures implementation of its mandates. The HRC plans, develops, and implements statewide human resource programs, giving direction and coordination to all divisions in the Department of Social Services.

The Division of Budget and Finance (DBF) provides centralized financial support to all Department of Social Services divisions. Functions include auditing, budgeting, expenditure review and control, federal grants management and reporting, implementation of the department's fiscal policies, and responding to changes in federal and state fiscal policy. In addition, staff responsible for the department's research and data management functions are included in the DBF.

The Division of General Services (DGS) provides a variety of services that support the operations of the department, including operating the department's centralized mailing center that processes over 22 million pieces of mail annually, working with telecommunications systems, providing necessary minor office renovations, and coordinating the inventory and distribution of office equipment and furniture. DGS also provides administrative coverage and building maintenance functions for the Prince Hall Family Support Center.

The Division of Legal Services (DLS) provides comprehensive legal support to all program and support divisions in the department. DLS responsibilities include due process hearings for recipient appeals, legal advice and representation for children in the custody of the Children's Division, investigating fraud and abuse of public assistance programs, and conducting background investigations on department employees prior to employment. The division also includes the State Technical Assistance Team (STAT) responsible for assisting in the investigation of child abuse and neglect, child exploitation, and child fatality cases. In addition, the STAT manages Missouri's Child Fatality Review Program. DLS also coordinates the department's compliance with the federal Health Insurance Portability and Accountability Act (HIPAA) by employing a privacy officer to oversee that HIPAA standards are implemented appropriately.

**Fiscal Year 2007 Governor's Recommendations**

- \$427,849 for pay plan, including \$302,218 general revenue.
- (\$1,420,906) federal funds and (one) staff core reduction from the Fiscal Year 2006 appropriation level.
- (\$1,222,700) reallocated to various divisions, including (\$1,005,890) general revenue.
- (\$58,429) transferred to the statewide leasing budget, including (\$37,171) general revenue.

**INFORMATION TECHNOLOGY**

Information technology resources have been transferred to the Office of Administration. The Information Technology Services Division will be the central point for coordinating data processing and telecommunications for most state agencies.

**Fiscal Year 2007 Governor's Recommendations**

- \$412,997 reallocated from various divisions, including \$284,314 general revenue.
- (\$38,552,408) and (210.03) staff transferred to the Office of Administration for statewide consolidated information technology services, including (\$5,281,521) general revenue.
- (\$1,843,278) other funds core reduction from the Fiscal Year 2006 appropriation level.
- (\$232,405) and (two) staff reallocated to various divisions, including (\$28,892) general revenue.
- (\$58,166) transferred to the statewide leasing budget, including (\$37,004) general revenue.

## DEPARTMENT OF SOCIAL SERVICES

### FAMILY SUPPORT DIVISION

#### ADMINISTRATIVE SERVICES AND INCOME MAINTENANCE

Administrative Services – Management, coordination, and general direction are provided to all Family Support Division programs. The division director and staff monitor the efficiency and effectiveness of and provide policy direction for Income Maintenance and Child Support programs. Administrative Services also provides financial management and operational services, human resource support, and systems support to Income Maintenance and Child Support Enforcement field staff.

Income Maintenance - Staff provides intake services, information and referral, and eligibility determinations for applicants of financial services provided by the department. Funds in these sections support the salaries, general operating expenses, and training for Income Maintenance caseworkers, administrative and supervisory staff, and clerical support positions in Family Support offices.

Temporary Assistance for Needy Families (TANF) – TANF is a program designed to provide temporary assistance/relief to families to promote self-sufficiency so parents do not remain dependent on welfare payments and children do not grow up in poverty. Under federal welfare reform, TANF was designed to be a temporary assistance which, coupled with a myriad of other support services, would enable parents to find and retain employment; thereby, enabling them to support their families without government assistance. Missouri continues to implement new, innovative programs designed to meet the diverse needs of TANF recipients.

Adult Supplementation – The federal government assumed responsibility for Old Age Assistance, Aid to the Permanently and Totally Disabled, and Aid to the Blind programs in January 1974 when it created the Supplemental Security Income (SSI) Program. Recipients who are eligible for SSI, but who receive smaller benefits than their December 1973 payments, receive payments from the state equal to the difference. Recipients who are not eligible for SSI, but who received payments under one of the earlier programs, receive payments from the state equal to the amount they received in December 1973. The caseload has been declining since 1973 as recipients die, become ineligible through income changes, or leave the state.

Supplemental Nursing Care – This state-funded program makes monthly cash payments to residents of nursing and residential care homes who are eligible for Medicaid, but occupy a facility not certified for Medicaid, or who receive care in a Residential Care I or II facility. The type of facility appropriate for clients is dictated by their level of need for care. Minimal medical care is provided in Residential Care I, more in Residential Care II, and significantly more in Intermediate Care. Supplemental Nursing Care recipients also are provided an allowance each month for personal needs such as toiletries, transportation, and hair care.

Blind Pension and Supplemental Aid to the Blind – Three separate programs assist blind persons. The first, Supplemental Aid to the Blind, pays benefits to those who meet certain income requirements. The second, Blind Pension, aids the blind that do not qualify for Supplemental Aid to the Blind and who do not own property – excluding homes – worth more than \$20,000. Currently both programs provide a maximum monthly grant of \$489 unless the claimant qualifies for a higher payment by residing in a licensed nursing home. The third program, Adult Supplemental Payments, aids those who received state assistance before the federal SSI Program began in 1974, but who receive less from SSI than from the earlier program. New cases that meet the state's 1973 guideline also may be certified for assistance. All of these programs are funded from an earmarked state property tax that provides revenue to the Blind Pension Fund.

Community Services Block Grant (CSBG), Emergency Shelter Grants, Homeless Funding, and Refugee Assistance – CSBG funds are used to address six causes of poverty: unemployment, inadequate education, malnutrition, inadequate housing, unmet emergency needs, and poor use of income. Federal statutes require that 90 percent of CSBG funding be passed through to Community Action Agencies. The Emergency Shelter Grants Program provides grants to local governments to be used for renovation or conversion of buildings for emergency shelters and to help meet the cost of emergency shelter operations. Homeless Challenge Grants offer local communities matching funds to establish programs to combat homelessness. The Refugee Assistance Program provides services to help refugees overcome language barriers, acquire or adapt vocational skills, and adjust to their new environment.

Food Distribution – The federally funded Food Distribution Program enables Family Support to store, ship, and distribute processed surplus commodity food to eligible individuals, families, charitable institutions, and organizations.

Energy Assistance – The Low-Income Home Energy Assistance Program is a federally funded block grant which provides heating assistance payments and winter and summer crisis assistance to low-income households.

Domestic Violence – This program provides grants to local communities for family violence shelters or services. Grants may be used for emergency shelters, counseling, and education services for families in community-based shelters.

#### Fiscal Year 2007 Governor's Recommendations

- \$1,370,913 other funds to increase the monthly benefit payment to blind pension recipients from \$510 to \$541 per month.
- \$342,766 cost-to-continue the Fiscal Year 2006 supplemental appropriation for the Supplemental Nursing Care Program caseload growth.
- \$200,000 for youth mentoring, including \$100,000 general revenue.

## **DEPARTMENT OF SOCIAL SERVICES**

### **ADMINISTRATIVE SERVICES AND INCOME MAINTENANCE (Continued)**

- \$175,585 federal funds for the Food Distribution Program.
- \$100,000 for Medicaid fraud investigation services, including \$50,000 general revenue.
- \$3,582,177 for pay plan, including \$2,151,841 general revenue.
- \$380,472 reallocated from various divisions.
- (\$4,261,922) and (10) staff core reduction from the Fiscal Year 2006 appropriation level, including (\$49,517) general revenue.
- (\$1,272,739) transferred to the statewide leasing budget, including (\$999,633) general revenue.
- (\$59,028) and (two) staff transferred to the Office of Administration for statewide consolidated information technology services, including (\$37,866) general revenue.
- (\$10,900) federal and other funds reallocated to various divisions.

### **SERVICES FOR THE BLIND**

Professional staff in Rehabilitation Services for the Blind counsel and train blind and other visually impaired Missourians, arrange for the purchase of other services, and help the visually impaired find jobs. Services include rehabilitation, vocational rehabilitation, diagnosis and treatment of eye disease, equipment and supplies for blind preschool children, the Public Building Vending Program, and the Readers for the Blind Program.

#### **Fiscal Year 2007 Governor's Recommendations**

- \$147,490 for pay plan, including \$33,108 general revenue.
- \$24,574 federal and other funds and one staff reallocated from various divisions.

### **CHILD SUPPORT ENFORCEMENT AND DISTRIBUTIONS**

Child Support Enforcement staff, with the assistance of the Missouri Automated Child Support System (MACSS), locate missing parents; establish paternity, medical support, and financial child support obligations; and enforce the collection of support payments for TANF and for participating non-TANF families. The state retains approximately 33 percent of all child support collected on TANF cases.

Local Agreements – This funding supports contractual agreements with local governments to assist the division with paternity and other types of child support referrals through the establishment of multi-county, full-service centers. Counties pool resources to establish service centers dedicated to child support work.

Reimbursement to Counties – This program provides reimbursement to counties that have signed a cooperative agreement with the Department of Social Services. Child support collection and prosecution costs incurred by the counties are reimbursed by the federal government at a rate of 66 percent. Incentive payments to the counties are used as state match to earn the federal dollars.

Federal Reimbursement/Local Incentives – This appropriation provides a mechanism to disburse payments to families when the payment was collected by the department and to refund some overpayments from income tax returns.

State Tax Refund Distribution – This appropriation provides a mechanism for reimbursing non-custodial parents for child support payments over-collected from state tax returns.

#### **Fiscal Year 2007 Governor's Recommendations**

- \$2,552,873 for a contracted child support enforcement customer services call center, including \$867,977 general revenue.
- \$1,113,305 for pay plan, including \$167,163 general revenue.
- (\$298,583) federal funds transferred to the statewide leasing budget.
- (\$11,202) federal and other funds reallocated to various divisions.
- (40) staff core reduction from the Fiscal Year 2006 appropriation level.

**DEPARTMENT OF SOCIAL SERVICES  
FAMILY SUPPORT DIVISION**

**FINANCIAL SUMMARY**

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	GOVERNOR RECOMMENDS FY 2007
Family Support Administration	\$ 25,541,395	\$ 26,823,630	\$ 27,031,786
Income Maintenance Field Staff and Operations	89,311,665	87,824,731	89,982,261
Income Maintenance Staff Training	640,775	537,603	536,515
Community Partnerships	8,306,608	8,295,701	8,299,077
Missouri Mentoring Partnership	1,379,981	1,284,987	1,284,987
Kids Mentoring	0	0	200,000
Family Nutrition Program	4,998,355	5,294,560	5,294,560
Temporary Assistance for Needy Families (TANF)	134,162,019	138,352,450	138,352,450
Grandparent Foster Care	759,802	0	0
Adult Supplementation	135,931	145,000	125,000
Supplemental Nursing Care	25,601,241	25,464,815	25,807,581
Supplemental Security Income	731,179	4,000,000	100,000
Blind Pension	20,684,439	22,901,889	24,272,802
Refugee Assistance	3,605,446	3,808,853	3,808,853
Community Services Block Grant	17,140,839	19,144,171	19,144,171
Homeless Challenge Grant	499,862	500,000	500,000
Emergency Shelter Grants	1,319,812	1,340,000	1,340,000
Food Distribution Programs	1,000,000	1,000,000	1,175,585
Energy Assistance	46,697,445	40,799,995	40,810,081
Domestic Violence	5,665,330	5,987,653	5,987,653
Blind Administration	4,185,331	4,585,546	4,759,500
Services for the Visually Impaired	6,725,621	6,734,646	6,732,756
Child Support Field Staff and Operations	30,993,658	33,920,330	37,276,723
Child Support Distributions	47,609,714	47,623,000	47,623,000
<b>TOTAL</b>	<b>\$ 477,696,448</b>	<b>\$ 486,369,560</b>	<b>\$ 490,445,341</b>
General Revenue Fund	83,524,375	78,808,624	81,814,935
DSS - Federal Funds	359,739,043	370,495,997	369,879,190
Other Funds	34,433,030	37,064,939	38,751,216

## DEPARTMENT OF SOCIAL SERVICES

### CHILDREN'S DIVISION

The Children's Division Administrative Services provides management, coordination, and general direction for all Children's Division programs. The division director and staff monitor the effectiveness of programs that promote permanency for Missouri's children. Administrative Services provides policy direction, financial management and operational services, and human resource support to field staff.

Purchase of Child Care – A key to successful welfare reform and the prevention of abuse and neglect is access to quality, affordable child care. Without child care assistance, many parents could not participate in job training, education, or maintain employment in order to become self-sufficient and end their dependence on government assistance. Without such assistance, the risk of children being left in unsafe environments also increases. The Early Childhood Development, Education and Care Fund supports programs to improve the availability of, and access to, quality child care and programs that prepare children to enter school ready to succeed. Because children learn more from the ages of zero to five than during any other developmental period, the availability of quality child care is essential to preparing children for school.

Children's Treatment Services, Child Abuse and Neglect Grant, and Intensive In-Home Services – This program provides intensive family-centered services to child abuse victims and their parents. Specific services include family therapy, homemaker services, respite care, parent aides, child care, crisis nursery services, and incentive subsidies to encourage local units of government to develop community programs to combat child abuse and neglect. The Family Reunification Program provides home-based services aimed at reuniting children with their families. The Family Preservation Program provides intensive, in-home services to help prevent placement of children in foster care and keep children with their families.

Foster Care, Children's Account, Adoption Subsidy, and Subsidized Guardianship – The Foster Care Program provides monthly room and board payments for children in the custody and care of the Children's Division. Current payment rates for homes of traditional foster parents, relatives, and kinship for age groups are as follows: 0-5 years, \$227; 6-12 years, \$277; and 13 and over, \$307. There are special placements with different rates, including Behavioral or Medical Foster Care (\$657 per month) and Career Foster Care (\$47 per day). Homes may also receive an additional \$100 per month, per child, for attending professional parenting classes. Payments also are made for non-Medicaid medical and dental services, clothing, transportation, foster parent training, and other needs. Children in state custody may receive funds from a variety of sources, including child support payments. These monies are used to offset the cost of maintaining the child in foster care and to pay for any special expenses of the child.

The Adoption Subsidy Program and Subsidized Guardianship Program provide financial assistance to parents who adopt special needs children.

Children's Programs Pool – In the Fiscal Year 1992 budget, a separate pool appropriation was developed for services for children and families. Each line item for the following children's programs was reduced by ten percent to create a Children's Programs Pool: Children's Treatment Services, Family Preservation, Foster Care, Adoption Subsidy, and Independent Living. This pooled appropriation allows flexible spending within these children's service areas and residential treatment.

Residential Treatment, Independent Living, and IV-E Court Contracts – Residential facilities are used when foster care cannot meet the children's treatment needs. The division contracts with a wide range of treatment programs ranging from small group homes to large, self-contained, resident campuses. Facilities must be licensed and meet the division's standards for alternative care. Transitional/Independent Living programs assist foster care children, ages 15 to 21, in learning the necessary skills for the transition from foster care to adult independent living in the community. Court Contracts through the IV-E Program allow the Children's Division to pass through federal funds to be used for reimbursement to juvenile courts for children in the court's custody placed in juvenile court residential facilities.

Psychiatric Diversion – This program's primary purpose is to keep children out of expensive inpatient psychiatric hospitals, while providing them with the necessary services to help them deal with their severe behavioral and emotional problems.

### Fiscal Year 2007 Governor's Recommendations

- \$6,850,585 cost-to-continue for the Fiscal Year 2006 supplemental funding for the adoption and guardianship subsidy.
- \$5,866,413 for a \$10 per day rate increase to residential treatment services providers, including \$2,309,074 general revenue.
- \$137,984 for fraud and abuse detection initiatives and compliance reviews of child welfare and child care providers.
- \$2,902,412 for pay plan, including \$1,878,217 general revenue.
- \$3,543 to implement the Personnel Advisory Board recommendation for repositioning of certain critical employee classifications, including \$1,348 general revenue.
- \$741,702 reallocated from various divisions.
- (\$850,285) transferred to the statewide leasing budget, including (\$540,930) general revenue.
- (\$26,292) and (one) staff transferred to the Office of Administration for statewide consolidated information technology services, including (\$17,098) general revenue.
- (\$11,276) federal funds reallocated to various divisions.

**DEPARTMENT OF SOCIAL SERVICES  
CHILDREN'S DIVISION**

**FINANCIAL SUMMARY**

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	GOVERNOR RECOMMENDS FY 2007
Children's Administration	\$ 6,754,316	\$ 6,846,238	\$ 7,097,593
Children's Field Staff and Operations	67,861,739	68,160,704	70,752,126
Child Welfare Accreditation	5,311,492	6,058,160	6,090,771
Children's Staff Training	1,509,394	1,545,691	1,545,691
Children's Treatment Services	13,465,237	12,242,238	13,442,238
Foster Care	40,133,405	34,435,686	34,435,686
Adoption and Subsidized Guardianship	60,408,376	65,498,629	72,349,214
Independent Living	3,015,411	3,000,000	3,000,000
Transitional Living	2,064,018	2,064,018	2,064,018
Children's Programs Pool	25,912,724	18,944,251	18,944,251
Child Assessment Centers	1,838,276	1,898,952	1,898,952
Residential Treatment Centers	71,119,850	73,872,797	79,739,210
Performance Based Case Management Contracts	0	18,900,000	17,700,000
Psychiatric Diversion	15,980,865	16,037,734	16,037,734
IV-E Court Contracts	145,842	700,000	700,000
Child Abuse and Neglect Grant	513,667	188,316	188,316
Foster Care Children's Account	10,237,366	12,000,000	12,000,000
Purchase of Child Care	178,305,668	191,849,704	191,872,104
<b>TOTAL</b>	<b>\$ 504,577,646</b>	<b>\$ 534,243,118</b>	<b>\$ 549,857,904</b>
General Revenue Fund	220,853,490	234,518,076	245,878,958
Federal Funds	259,203,205	272,958,192	277,208,019
Other Funds	24,520,951	26,766,850	26,770,927



## **DEPARTMENT OF SOCIAL SERVICES**

### **DIVISION OF YOUTH SERVICES**

The Division of Youth Services (DYS) is divided into three functional areas: Management and Development, Residential Services, and Alternative Services.

Management and Development is the central administrative unit with overall responsibility for designing, implementing, managing, and evaluating all programs operated by the division. Five regional offices supplement the efforts of central office staff and assure program efficiency and effectiveness at the local level.

Residential Services provides youthful offenders with structured rehabilitation programs when placement at home is no longer an option. Educational Services, a component of this program area, provides academic and vocational education to youth in residential placement. The division has seven secure facilities: Northwest Regional Youth Center in Jackson County, Hogan Street Youth Center in St. Louis City, Fulton Treatment Center in Callaway County, Mount Vernon Treatment Center in Lawrence County, Hillsboro Treatment Center in Jefferson County, Riverbend Treatment Center in Buchanan County, and Montgomery City Youth Treatment Center in Montgomery County. The division also operates 18 moderately secure facilities and seven community-based facilities.

Alternative Services helps youthful offenders adjust to acceptable norms of behavior. The division provides several types of alternative services: case management and classification; community care which includes day treatment, intensive supervision, and alternative living; aftercare; and the Juvenile Court Diversion Program. Case management and classification involves evaluating youths' needs before they are assigned to one of the division's programs and managing their service delivery plan during their entire length of stay with the division. Community care involves treatment of youth in the community without the youth being placed in a DYS facility. Alternative living purchased by the division includes foster care and proctor care for juveniles who cannot return to their home. Day treatment programs provide education and treatment services for youth who continue to live at home. Intensive supervision provides tracking and mentoring to youth in the community. Aftercare is the provision of counseling and other services to help juveniles return to their families and communities when released from one of the division's facilities. Finally, the Juvenile Court Diversion Program encourages local communities to develop programs to divert youth from commitment to DYS.

### **Fiscal Year 2007 Governor's Recommendations**

- \$85,000 federal funds to provide educational services to delinquent youth.
- \$1,683,138 for pay plan, including \$1,462,121 general revenue.
- \$60,612 to implement the Personnel Advisory Board recommendation for repositioning of certain critical employee classifications, including \$46,368 general revenue.
- \$151,916 federal and other funds and one staff reallocated from various divisions.
- (\$162,745) transferred to the statewide leasing budget, including (\$103,534) general revenue.
- (\$123,019) reallocated to various divisions.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES**

**FINANCIAL SUMMARY**

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	GOVERNOR RECOMMENDS FY 2007
Administrative Services	\$ 48,008,795	\$ 53,110,331	\$ 60,630,337
Medicaid Vendor Payments and Managed Care	5,130,525,158	4,704,708,819	5,024,519,114
State Medical	37,194,848	26,528,145	26,375,153
Health Care Technology	0	0	50,000,000
<b>TOTAL</b>	<b>\$ 5,215,728,801</b>	<b>\$ 4,784,347,295</b>	<b>\$ 5,161,524,604</b>
General Revenue Fund	1,084,722,985	884,584,407	1,089,109,983
Title XIX -Federal and Other Funds	2,661,769,091	2,585,830,107	2,808,611,500
DSS - Federal and Other Funds	32,556,286	35,749,968	62,633,462
Uncompensated Care Fund	91,000,000	91,000,001	91,000,001
Pharmacy Rebates Fund	96,551,369	88,412,173	37,506,075
Third Party Liability Collections Fund	8,306,797	22,832,303	23,157,822
Intergovernmental Transfer Fund	75,857,069	0	0
Federal Reimbursement Allowance Fund	792,794,139	652,035,640	652,039,148
Pharmacy Reimbursement Allowance Fund	62,301,129	42,251,916	24,289,549
Medicaid Managed Care Organization Reimbursement Allowance Fund	0	52,600,000	48,989,634
Nursing Facility Federal Reimbursement Allowance Fund	236,353,698	218,253,622	218,253,564
Nursing Facility Quality of Care Fund	82,985	83,254	86,171
Health Initiatives Fund	18,731,580	19,916,863	20,541,199
Healthy Families Trust Fund-Health Care Treatment and Access Account	50,959,100	50,959,100	50,959,100
Missouri Rx Plan Fund	0	30,000,001	24,509,456
Premium Fund	3,742,573	9,837,940	9,837,940

**ADMINISTRATIVE SERVICES**

Medical Services staff oversees the operation of the Medicaid, SCHIP, and State Medical programs. Responsibilities include provider reimbursement; provider enrollment and relations; monitoring changes in the health care professions and their payment structures; maintaining liaison with federal agencies involved in medical services; developing policies and procedures for the operation of the program; and developing new, innovative methods of controlling health care costs through managed care plans, alternative care programs, third party liability collections, and other management initiatives.

**Fiscal Year 2007 Governor's Recommendations**

- \$50,000,000 to establish funding for health care technology projects and initiatives to improve the delivery of care; reduce administrative burdens; and reduce waste, fraud, and abuse, including a transfer of \$25,000,000 general revenue.
- \$1,750,000 to fund information systems consultant services for the Medicaid Management Information System (MMIS), including \$175,000 general revenue.
- \$400,733 and four staff to support the Missouri Rx Advisory Commission.
- \$184,561 federal funds for Missouri Rx Plan.
- \$377,883 for pay plan, including \$143,442 general revenue.
- \$26,182 to implement the Personnel Advisory Board recommendation for repositioning of certain critical employee classifications, including \$9,279 general revenue.
- \$4,880,806 other funds and 17 staff transferred from the Department of Health and Senior Services Senior Rx Program to the Missouri Rx Plan.
- (\$100,159) reallocated to various divisions, including (\$48,515) general revenue.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES**

**MEDICAID VENDOR PAYMENTS AND MANAGED CARE**

The Medicaid Program (Title XIX of the Social Security Act) is a federal-state effort to pay the health care of those who cannot pay for their own care. Federal law sets the minimum provisions for any state that opts to administer a Medicaid Program. These include hospital; physician; Early and Periodic Screening, Diagnostic and Treatment (EPSDT); lab and x-ray; skilled nursing home care; home health care; Federally Qualified Health Centers; rural health clinics; non-emergency transportation; and family planning services.

The 1115 Waiver is a federal-state effort to pay for women's health services and for the health care of uninsured children above existing Medicaid eligibility limits up to 300 percent of poverty. Children will receive a benefit package equal to Medicaid coverage without non-emergency medical transportation.

The State Medical Program allows individuals who do not meet categorical eligibility criteria for Title XIX to receive nearly all of the same services which are reimbursed for Title XIX eligibles, including non-institutional, nursing facility, and hospital care. These individuals include Child Welfare Services, Blind Pension, Presumptive Eligibility for Pregnant Women recipients, and youth in the custody of the Division of Youth Services.

**MEDICAID EXPENDITURES  
SELECTED SERVICES AND ANNUAL TOTALS**

	FY 2005 EXPENDITURE	FY 2006 APPROPRIATION	GOVERNOR RECOMMENDS FY 2007
Missouri Rx Plan	\$ 0	\$ 1	\$ 19,602,166
Pharmacy	1,157,794,225	884,857,972	661,829,915
Pharmacy-Medicare Part D-Clawback	0	316,865,339	656,454,164
Physicians	359,519,363	378,932,890	410,437,049
Dental	33,190,515	10,209,285	9,166,848
Home and Community Based Services	282,341,385	0	0
Nursing Facilities and Home Health	465,032,183	434,712,159	479,940,815
Rehabilitation and Specialty Services	160,242,350	142,207,523	163,395,803
Managed Care	817,900,554	890,532,310	911,897,488
Hospital Care	617,402,842	653,048,700	689,028,806
Safety Net Hospitals	5,337,913	23,000,000	23,000,000
FRA, NFFRA, and UCC	837,370,911	627,000,000	627,000,000
Children's Health Insurance Program	111,534,750	137,716,363	146,274,262
Department of Elementary and Secondary Education Services	0	33,369,908	33,369,908
Medicaid Supplemental Pool	175,770,779	35,698,085	35,698,085
Other Medicaid	107,087,388	136,558,284	157,423,805
<b>Total</b>	<b>\$ 5,130,525,158</b>	<b>\$ 4,704,708,819</b>	<b>\$ 5,024,519,114</b>

**Fiscal Year 2007 Governor's Recommendations**

- \$164,506,329 for additional anticipated costs of existing Medicaid programs to ensure that all program cores are sufficiently funded to meet projected expenditures, including \$62,415,403 general revenue.
- \$93,108,986 for anticipated caseload increases in Medicaid programs, including \$35,679,364 general revenue.
- \$80,489,888 to apply a 14 percent pharmacy trend factor and an 8 percent non-pharmacy trend factor for both utilization and cost component increases for managed care in the eastern, central, and western regions, including \$29,530,554 general revenue.
- \$79,394,649 to address the anticipated increases in the Pharmacy Program due to new drugs, therapies, and inflation, including \$30,301,505 general revenue.

**DEPARTMENT OF SOCIAL SERVICES  
DIVISION OF MEDICAL SERVICES**

**MEDICAID VENDOR PAYMENTS AND MANAGED CARE (Continued)**

- \$44,155,127 to fund drugs through the Medicaid program that are excluded from coverage under the Medicare Modernization Act – Part D, including \$16,920,245 general revenue.
- \$21,609,703 to replace Pharmacy Rebate and Pharmacy Federal Reimbursement Allowance funds that will be lost due to dual eligibles receiving pharmacy benefits under the Medicare Modernization Act – Part D.
- \$20,552,789 for increased costs and utilization of pharmacy prescriptions by the elderly and those with disabilities, including \$7,875,829 general revenue.
- \$15,357,915 for anticipated increases in Medicare Part A and B premiums, including \$5,885,874 general revenue.
- \$10,438,854 for an adjustment to address the change in the Medicaid federal participation percentage, including \$7,683,857 general revenue.
- \$700,000 to increase funding for Federally Qualified Health Center grants to expand health care access.
- \$309,083 for anticipated increases to Medicare hospice rates, including \$118,441 general revenue.
- \$300,000 other funds to reflect additional Third Party Liability funds generated through TEFRA Lien enforcement.
- \$200,172 other funds reallocated to various divisions.
- \$119,152 for a \$1 per hour rate increase for in-home direct care workers, including \$45,659 general revenue.
- \$19,602,165 other funds transferred from the Senior Rx Program to the Missouri Rx Plan to support the state pharmaceutical assistance program.
- \$11,465,246 transferred from the Department of Health and Senior Services for the Home Health and PACE programs, including \$4,234,177 general revenue.
- (\$133,315,753) core reduction from the Fiscal Year 2006 appropriation level, including (\$43,962,677) general revenue.
- (\$58,526,466) other funds core reduction due to a decrease in pharmacy rebates and pharmacy tax earnings resulting from the shift of dual eligibles to prescription drug coverage under the Medicare Modernization Act – Part D.
- (\$30,000,000) other funds core reduction to remove empty authority from the Missouri Rx Plan Fund.
- (\$20,307,372) federal and other funds core reduction due to a decrease in the enhanced dispensing fee resulting from the Medicare Modernization Act – Part D.
- (\$200,172) reallocated to various divisions.
- (\$150,000) transferred to the Department of Health and Senior Services for Naturally Occurring Retirement Communities (NORC).

**STATE MEDICAL**

**Fiscal Year 2007 Governor's Recommendations**

- \$712,958 to address the rising costs in the Pharmacy Program due to new drugs, therapies, and inflation.
- (\$865,950) core reduction from the Fiscal Year 2006 appropriation level, including (\$555,083) general revenue.